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February 16, 1953
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Attention:

Subject: Additional Funds for Task Order No. 1 Contract RD-35

Gentlemen:

Reference is made to Contract RD-35, Task Order No. 1, to contractor's proposal outlined in letter No. 5016, dated June 20, 1952, and to contractor's letter No. 5097, dated July 9, 1952.

Task Order No. 1, paragraph II contains sub-items a, b, c, and d corresponding to items 1, 2, 3 and 4 of the contractor's cost estimate of letter No. 5016. In addition, Task Order No. 1 contains an item IIe, requiring an estimated \$45,000, for which funds were to be provided from contract (RD)XG-726. RD-35

Contractor's letter No. 5097 indicated that as of July 9, 1952 only \$37,000 remained under (RD)XG-726 and that a portion of this money would be used to carry on further studies on the contract. Further since the facilities listed in item IIe of Task Order No. 1 are to be used for carrying out certain tasks under contract RD-35, it would appear that additional funds should be provided in Task Order No. 1 to cover a portion of the cost item IIe.

As of February 1953, costs of approximately \$19,000 for item IIe have been charged to contract (RD)XG-726. A representative of your organization recently advised us that no additional costs for item IIe should be charged to this contract. Thus it appears that at this time, further funds should be provided under Task Order No. 1 of RD-35 to complete item IIe.

It is now estimated that only \$24,000 will be required to complete item IIe, at a total expenditure of \$43,000, rather than the \$45,000 originally estimated.

ORIGINAL CLBY 235977
☐ DECL ☒ REVW ON 2010
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Another item of concern is the cost of the design and development of new equipment. In item IIb of Task Order No. 1 it is estimated that 2,000 additional hours of engineering time will be required to provide all the services under Task Order No. 1. This has been brought about by the uncertainties of development of new designs. This will not effect the costs of Task Order No. 2.

Therefore, it is requested that additional funds be allocated under Task Order No. 1, contract RD-35, as follows:

| | |
|---|-----------|
| (a) Remaining cost for completing item IIe | \$ 24,000 |
| Fixed Fee on item (a) | 1,480 |
| (b) Cost of additional 2,000 hr. engineering time | 11,640 |
| (No increase in fee for item (b)) | |
| TOTAL | \$ 37,120 |

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Please inform us of your decision in this matter.

Very truly yours,

PJF/far

FX-1952 Commo funds
for services
\$ 55,000

FX-1952 Commo
funds for facilities
\$ 45,000

43,000
1,480

\$ 44,480 cost
19,000 Paid by OSI
25,480

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